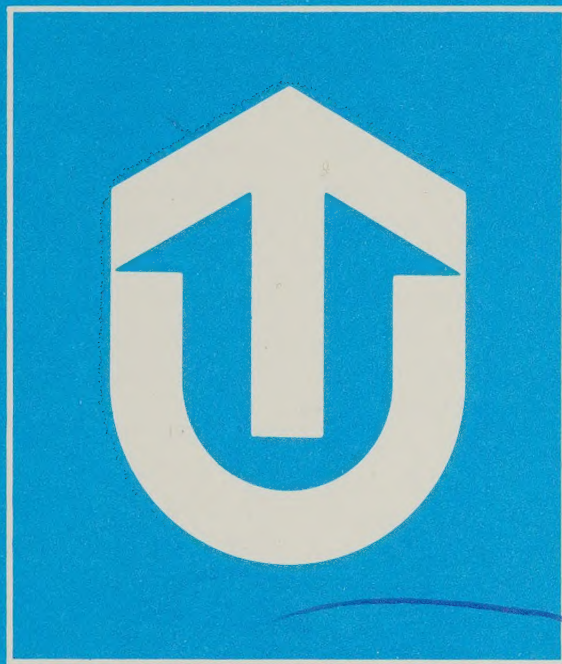



AR03



UNITED
ACCUMULATIVE FUND LTD.

12TH ANNUAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 1969



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UNITED ACCUMULATIVE FUND LTD.

TO THE SHAREHOLDERS

October 15th, 1969, Toronto, Ontario.

Your fund's twelfth fiscal year, which ended on 30th September 1969, was similar to those of 1960, 1962 and 1966 in that the market had to contend with a substantial decline. The prime causes of the fall in security prices this year are well known: The Vietnam war, the accelerating inflation, and the attempts made by governments and Central Banks to restrain inflation have been responsible for most of the difficulties. Both the war and the inflation have proved much more difficult to moderate than had been expected, and investor expectations have been disappointed on several occasions.

As a result of these unfavourable influences, total net assets of your fund fell during the fiscal year by 15.70%, from \$402,473,106. to \$339,481,777, and the net asset value declined by 16.40%, from \$6.15 (allowing for the stock split during the year) to \$5.14. During the final quarter of the fiscal year, which included a month of sharp market decline in July, followed by some degree of recovery, net asset value per share moved from \$5.38 to \$5.14.

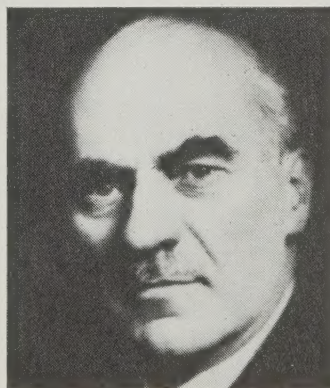
Over the twelve years during which your fund has been available to investors, the net asset value per share has risen from \$1.92 to \$5.14, and \$.7425 per share has been paid in dividends, for a total gain of 206.40%. Excluding dividends, the gain in net asset value per share has been 167.70%, which compares with a gain of 102.60% for the Toronto Stock Exchange Industrial Index over the same period. A shareholder who had invested \$10,000. in the fund at its inception, held his shares and reinvested all dividends over the twelve-year period, now has an investment of \$30,132.55 less income taxes payable only on the dividends received.

As we enter fiscal year 1970, signs appear which indicate that restrictive measures are beginning to achieve some degree of slackening in the economies of the United States and Canada. While there are many strong features still apparent, there is none the less an indication that

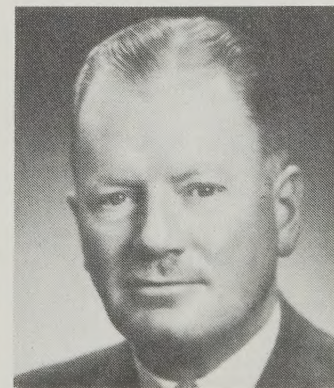
consumer spending may not be buoyant in coming months, and that there could be weakness in other fields also. Though any softening of the economy will necessarily affect corporate profits, it nevertheless offers hope to investors that it may be possible before long to relax the very tight financial pressures which have been imposed in an effort to restrain inflation. With many issues well deflated by the market declines of recent months, there are opportunities in a great number of industries to seek out companies that should be able to demonstrate superior performance in the coming decade. While the timing of market recovery remains uncertain, it is true as always that the especially favourable times for purchases are when the market is depressed and while the recovery movement is gaining strength.

Looking at the prospects for 1970 and beyond, which point to very substantial economic growth and technological advance, your management feels that there is every reason for confidence that well selected common stocks should provide excellent investments in coming years.

Respectfully submitted,



ALEX. McD. McBAIN,
Chairman of the Board.



JOHN M. GODFREY,
President.



UNITED ACCUMULATIVE FUND LTD.

FUND PERFORMANCE

United Accumulative Fund, since it was founded in 1957, has endeavoured to help Canadians achieve financial independence and security.

Today, United Accumulative Fund has over 144,000 shareholder accounts — more than any other Canadian mutual fund — and net assets are in excess of \$339,000,000.

Our objective is to help many Canadians achieve their goals for financial independence through long-term growth of capital under continuous professional management. To provide the best in long-term growth and to suit the individual goals and needs of each of our shareholders, we have established three important services. Most of us require all three of these financial services to achieve our goals for financial independence.

A *cash investment* provides an immediate investment whereby the shareholder can purchase as many shares as he wishes at the prevailing offered price. Dividends can be automatically reinvested.

A *monthly savings plan* provides for monthly investments on either a 10- or 15-year basis. Through regular monthly investments the investor achieves his goal. This is a most popular method of putting present and future earnings to work on a planned basis.

A *variable withdrawal programme* is ideal to provide a monthly income when it is required — for retirement, for the education of our children, or for other purposes — after we have accumulated our capital goal.

On these pages we take pleasure in illustrating the 12-year performance of these three United Accumulative Fund services.

FINANCIAL INDEPENDENCE THROUGH UNITED'S SERVICES

12 Year Record of Performance 1957 – 1969

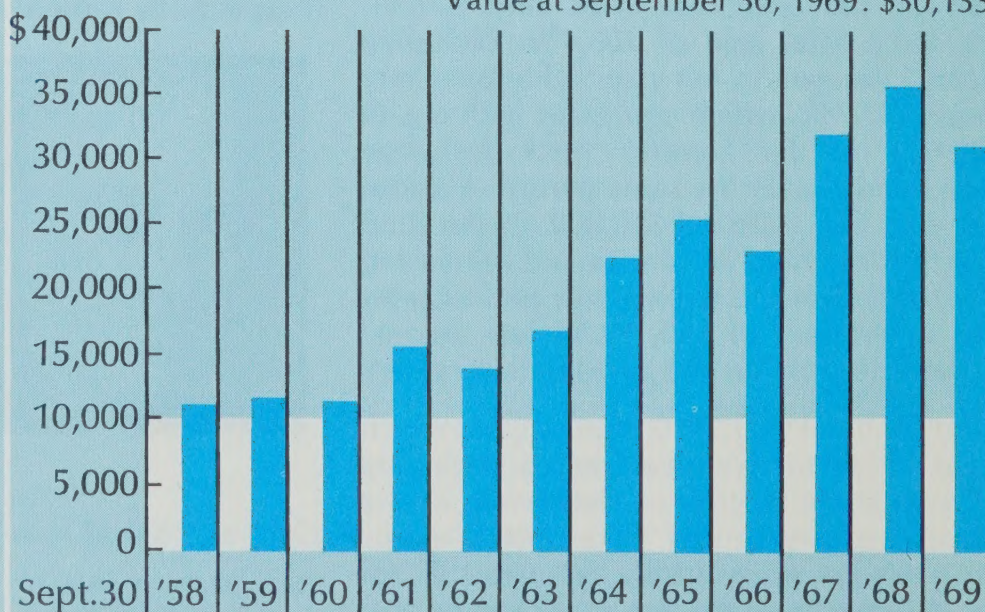
These charts show the performance of United Accumulative Fund Ltd. since inception, with reinvestment of dividends, after allowing for sales charges and management fees, at current rates.

Cash Investment

This chart shows the record of a \$10,000 investment in United Accumulative Fund Ltd. from its inception to September 30th, 1969.*

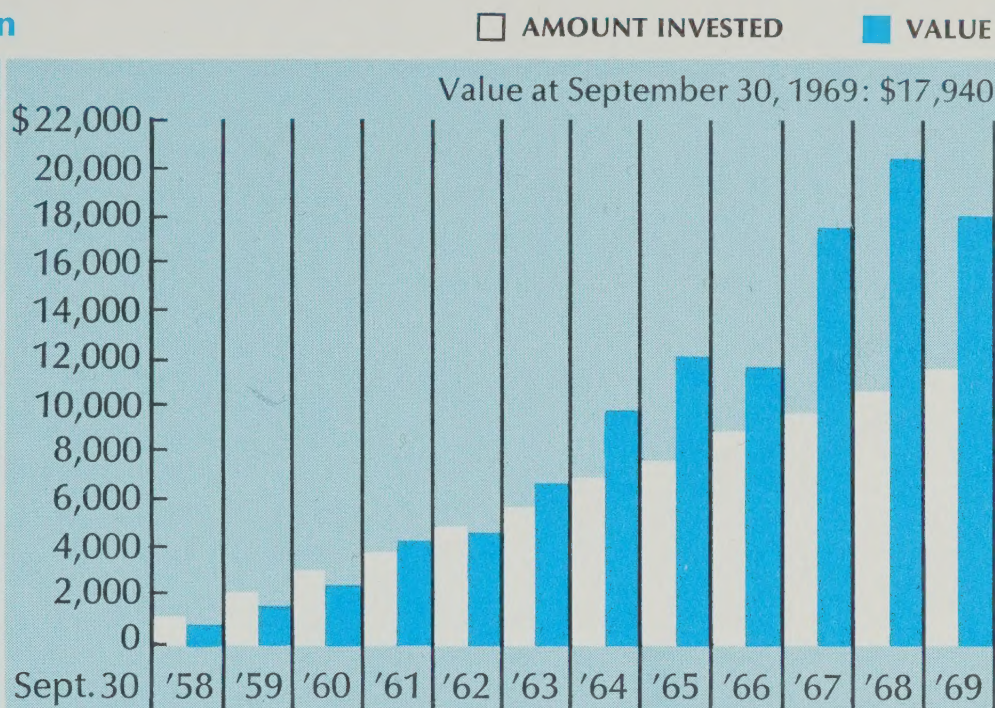
□ ORIGINAL INVESTMENT ■ VALUE

Value at September 30, 1969: \$30,133



Monthly Savings Plan

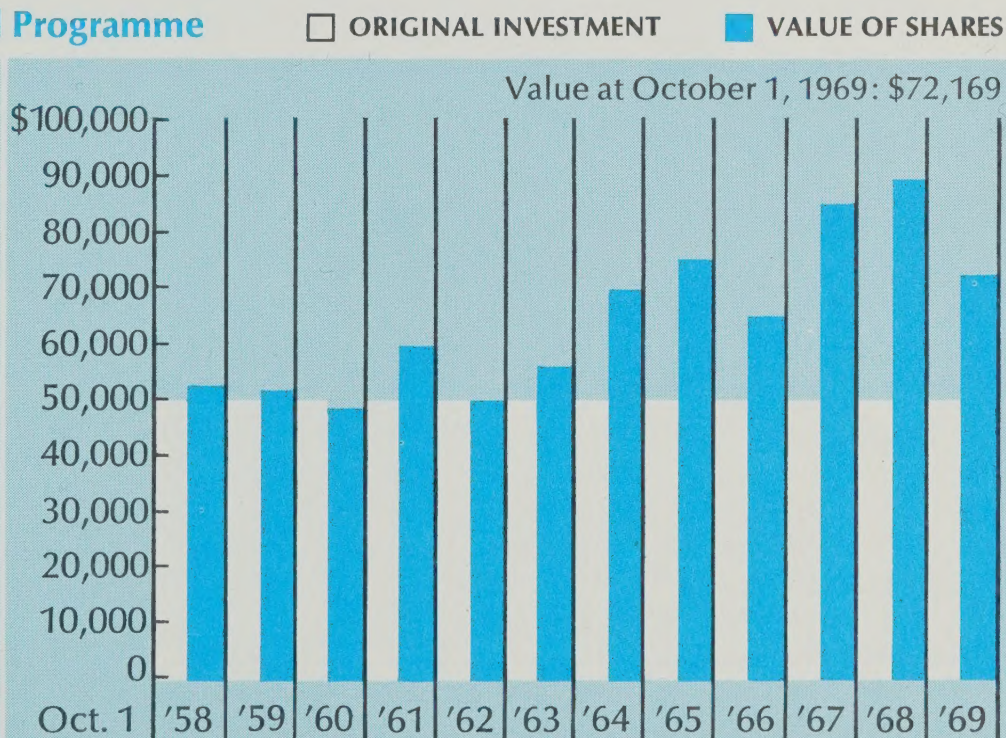
This chart shows the record of an \$80.00 per month Periodic Investment Programme in United Accumulative Fund Ltd. from its inception to September 30th, 1969.*



Variable Withdrawal Programme

This chart shows the record of a \$50,000 Variable Withdrawal Programme in United Accumulative Fund Ltd. from its inception to October 1st, 1969, with a withdrawal of 8 per cent of investment or \$4,000 per year (\$333.33 per month).*

Note: If the withdrawals are in excess of dividend income from the fund and net capital appreciation, it will result in encroachment on or possible exhaustion of the shareholder's original capital.



The three charts on these pages show the long-term value of shares in United Accumulative Fund Ltd., in spite of a declining market in 1960, 1962, 1966, and again in 1969.

The net asset value of United Accumulative Fund Ltd. shows a cumulative gain of 167.7% compared to a gain of 102.6% of the Toronto Stock Exchange Industrial Index over this 12-year period.

*While past performance is no guarantee of how well the Fund will do in the future, prospects for the North American economy in years ahead are very promising.



UNITED ACCUMULATIVE FUND LTD.

CONSOLIDATED INVESTMENT PORTFOLIO

September 30, 1969

Number of Shares or Par Value		Market Value	Percent of Net Assets
COMMON STOCKS AND THEIR EQUIVALENT: 79.81%			
Air Transportation: 2.21%			
30,700	National Airlines	\$1,088,427	.32%
\$1,500,000*	Seaboard World Airlines, Debenture, 5%, 1988 ** (b)	1,067,653	.31
100,000	Trans World Airlines	3,019,625	.89
\$2,000,000*	Trans World Airlines, Debenture, 5%, 1994 ** (b)	1,542,165	.45
54,000	Wardair Canada (a)(b)	137,700	.04
\$ 800,000	Wardair Canada, Debenture, 6 1/2%, 1982 ** (b)	668,000	.20
		<u>7,523,570</u>	<u>2.21</u>

Automobiles: 1.23%

30,000	Ford Motor	1,395,229	.41
35,000	General Motors	2,769,562	.82
		<u>4,164,791</u>	<u>1.23</u>

Banks and Finance: 3.43%

6,000	Bank of British Columbia (a)(b)	123,000	.04
14,500	Bank of Montreal	221,125	.07
12,500	Bank of Nova Scotia	287,500	.08
17,500	Banque Canadienne Nationale	183,750	.05
12,500	Banque Provinciale du Canada	112,500	.03
12,500	Canadian Imperial Bank of Commerce	243,750	.07
112,800	CNA Financial	3,254,077	.96
73,500	Continental Corporation	3,547,116	1.04
5,000	Continental Corporation, \$2.50 Preferred **	258,825	.08
109,600	Great Western Financial (a)	2,925,370	.86
12,500	Royal Bank of Canada	259,375	.08

Number of Shares or Par Value		Market Value	Percent of Net Assets
Banks and Finance: 3.43% (Cont'd)			
12,500	Toronto-Dominion Bank	\$ 242,187	.07%
		<u>11,658,575</u>	<u>3.43</u>
Building and Furnishing: 1.40%			
41,004	Boise Cascade	2,984,867	.88
3,553	G & W Land and Development (a)	52,206	.02
250,000	Markborough Properties (a)	1,656,250	.49
13,200	Markborough Properties, Warrants (a)	44,880	.01
		<u>4,738,203</u>	<u>1.40</u>

Business Machines and Forms: 21.82%

89,000	Burroughs Corporation	14,817,057	4.36
37,500	Computel Systems (a)	337,500	.10
40,000	Control Data	6,120,133	1.80
2,850	Electronic Memories (a)	208,616	.06
3,800	Electronic Memories, \$1.00 Preferred**	102,452	.03
36,300	Farrington Manufacturing (a)(b)	611,676	.18
85,000	International Business Machines	31,648,098	9.32
40,000	National Cash Register	6,060,819	1.79
181,400	Rank Organization	2,335,525	.69
525,000	Rank Organization "A"	6,759,375	1.99
60,000	Rank Organization "A" ADR	772,500	.23
40,000	Xerox Corporation	4,302,966	1.27
		<u>74,076,717</u>	<u>21.82</u>

Chemical: .31%

\$2,167,000*	Elcor Chemical, Debenture, 5 1/2%, 1987**	1,039,953	.31
		<u>1,039,953</u>	<u>.31</u>

Number of Shares or Par Value		Market Value	Percent of Net Assets
Communication and Entertainment: 2.93%			
41,600	Famous Players	\$ 551,200	.16%
30,000	Loew's Theatres	966,550	.28
19,000	Loew's Theatres, Warrants (a)	271,497	.08
100,000	Mattel Inc.	6,470,625	1.91
100,000	Standard Broadcasting	1,150,000	.34
95,000	Ripley International(a)(b)	546,250	.16
		<u>9,956,122</u>	<u>2.93</u>

Diversified Companies: 3.06%			
44,000	Colt Industries	2,099,718	.62
40,000	Jim Walter Corp., \$2.00 Preferred **	4,507,869	1.33
82,000	Walter Kidde (a)	3,758,355	1.11
		<u>10,365,942</u>	<u>3.06</u>

Electronics and Technology: .85%			
39,800	Acres Limited (a)	686,550	.20
\$1,000,000*	Lectromelt Corp., Note, 5 1/2%, 1994** (b)	630,886	.19
\$2,500,000*	Pennsylvania Engineering, Debenture, 5 1/2%, 1993** (b)	1,577,215	.46
2,000	Varitech Investors(a)(b)	200	—
		<u>2,894,851</u>	<u>.85</u>

Food and Merchandising: 8.76%			
100,000	Becker Milk "B" Preferred ** (a)	900,000	.26
37,900	Bristol-Myers Co.	2,769,131	.82
12,600	General Distributors of Canada (a)	182,700	.05
45,000	Iowa Beef Packers (a)	1,771,334	.52
77,200	The Kroger Co.	3,080,449	.91
50,000	Melville Shoe	3,504,922	1.03
32,000	Metropolitan Stores of Canada (a)	800,000	.24
100,000	Marcor Inc.	4,987,773	1.47
374,075	Oshawa Wholesale "A"	10,614,378	3.13
\$ 550,000	Oshawa Wholesale, Debenture, 5 1/2%, 1986** (b)	1,105,500	.33
		<u>29,716,187</u>	<u>8.76</u>

Number of Shares or Par Value		Market Value	Percent of Net Assets
Forest Products: 3.57%			
27,900	Columbia Cellulose, \$1.20 Preferred**	\$ 505,687	.15%
100,000	International Paper	4,071,102	1.20
130,000	Mead Corporation	3,417,299	1.01
100,000	St. Regis Paper	4,111,543	1.21
		<u>12,105,631</u>	<u>3.57</u>

Metals and Mining: 3.84%			
50,000	Canadian British Aluminum	1,037,500	.31
42,100	Falconbridge Nickel	5,904,525	1.74
53,900	International Nickel	2,149,262	.63
97,000	Placer Development	3,928,500	1.16
		<u>13,019,787</u>	<u>3.84</u>

Petroleum: 7.94%			
33,000	Amerada Hess	1,459,126	.43
177,000	Atlantic Richfield	19,183,785	5.65
19,100	Marathon Oil	826,500	.24
98,999	Royal Dutch Petroleum	4,884,463	1.44
5,900	Standard Oil of Ohio	611,622	.18
		<u>26,965,496</u>	<u>7.94</u>

Photography: 2.06%			
50,000	Polaroid Corporation	6,982,884	2.06
		<u>6,982,884</u>	<u>2.06</u>

Pipelines: 2.67%			
90,100	Alberta Gas "A"	3,919,350	1.15
100,000	Trans Canada Pipe Lines	3,650,000	1.08
22,000	Trans Canada Pipe Lines, \$2.75 Preferred**	1,496,000	.44
		<u>9,065,350</u>	<u>2.67</u>

Number of Shares or Par Value		Market Value	Percent of Net Assets
COMMON STOCKS (Cont'd)			
Public Utilities: 3.76%			
169,200	American Telephone & Telegraph	\$ 9,192,008	2.71%
58,400	Consumers' Gas	992,800	.29
150,000	Northern & Central Gas	2,568,750	.76
		<u>12,753,558</u>	<u>3.76</u>

Publishing: 2.68%			
505,600	Thomson Newspapers	9,100,800	2.68
		<u>9,100,800</u>	<u>2.68</u>

Rail and Rail Equipment: 3.53%			
50,000	Chicago, Milwaukee, St. Paul and Pacific Railroad (a)	1,159,320	.34
193,000	Illinois Central	9,730,472	2.87
\$1,000,000*	Sante Fe Industries, Debenture, 6 ¹ / ₄ %, 1998**	1,083,830	.32
		<u>11,973,622</u>	<u>3.53</u>

Textiles and Apparel: .84%			
89,500	Dominion Textile	1,185,875	.35
108,000	Harding Carpets "A"	1,674,000	.49
		<u>2,859,875</u>	<u>.84</u>

Miscellaneous: 2.92%			
\$1,982,000*	American Export Industries, Debenture, 5 ¹ / ₄ %, 1993**	1,432,100	.42
46,550	Distillers Corp — Seagrams	2,374,050	.70
60,000	Fluor Corporation	2,232,366	.66
15,100	Gillette Co.	716,514	.21
200,000	Kaiser Resources (a)	3,175,000	.93
		<u>9,930,030</u>	<u>2.92</u>

Number of Shares or Par Value		Market Value	Percent of Net Assets
NON-CONVERTIBLE DEBENTURE: .43%			
\$1,500,000*	Seaboard World Airlines, Debenture, 8%, 1981 (b)	\$1,472,067	.43%
		<u>1,472,067</u>	<u>.43</u>

NON-CONVERTIBLE PREFERRED: .01%			
2,000	Varitech Investors (a)(b)	50,000	.01
		<u>50,000</u>	<u>.01</u>

SHORT TERM NOTES: 22.38% (b)

Bank Certificates of Deposit	51,266,762	15.10
Commercial Short Term Paper	24,723,687	7.28
	<u>75,990,449</u>	<u>22.38</u>

TOTAL MARKET VALUE OF PORTFOLIO	\$348,404,460	102.63%
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*U.S. Dollars

**Convertible into common stock

NOTES

(a) Securities on which no dividends/interest were paid during the preceding twelve months.

(b) Securities for which the market value is based on over-the-counter prices. The market value for all other securities set forth above is based on the closing price on September 30, 1969, reported by the principal security exchange on which the issue is traded or, if there was no sale during that day at the average of the closing bid and asked prices.

(c) Closing prices for foreign securities have been converted into Canadian Funds at the closing rate of exchange on September 30, 1969.



UNITED ACCUMULATIVE FUND LTD. (Incorporated under the laws of Canada)

CONSOLIDATED ASSETS AND LIABILITIES

September 30, 1969

ASSETS:

Investment securities at market value (average cost \$316,202,664)		\$348,404,460
Cash		3,907,565
Accounts receivable:		
Investment securities sold	337,445	
Shares sold	<u>266,637</u>	604,082
Dividends and accrued interest receivable		<u>962,747</u>
		<u>353,878,854</u>

LIABILITIES:

Accounts payable:		
Investment securities purchased	12,019,384	
Shares redeemed	691,791	
Other	201,973	
Income taxes payable	<u>1,483,929</u>	<u>14,397,077</u>
Net assets applicable to 66,101,939 mutual fund shares outstanding equivalent to \$5.14 per share		<u>\$339,481,777</u>



CAPITAL SHARES AND CONSOLIDATED SURPLUS

September 30, 1969

CAPITAL SHARES (Note 2):

Authorized —		
1,000 deferred shares of \$1.00 par value each		
135,000,000 mutual fund shares (less 9,671,052 shares redeemed and cancelled) of 50¢ par value each		
Outstanding —		
66,101,939 mutual fund shares		\$ 33,050,970

SURPLUS:

Paid-in surplus	238,476,242	
Deficit	(357,252)	
Accumulated realized gain on sale of investments	<u>36,110,020</u>	<u>274,229,010</u>
Total capital shares and surplus		307,279,980
Unrealized appreciation of investments		<u>32,201,797</u>
		<u>\$339,481,777</u>

On behalf of the Board: Alex McD. McBain, Director
R.S.C. Donald, Director

See accompanying notes



UNITED ACCUMULATIVE FUND LTD. (Incorporated under the laws of Canada)

STATEMENT OF CONSOLIDATED INCOME AND EXPENSE

for the year ended September 30, 1969

INCOME:

Dividends	\$ 5,275,007
Interest	<u>3,957,577</u>
	9,232,584

EXPENSE:

Management fees (note 3)	1,900,911	
Postage and printing	111,411	
Custodian fees	66,865	
Directors' fees	38,194	
Legal and audit	14,420	
Transfer agents' fees	12,781	
Other expenses	<u>16,286</u>	<u>2,160,868</u>
Net income before taxes		7,071,716
Income taxes		<u>2,873,000</u>
Net income		<u>\$ 4,198,716</u>

STATEMENT OF PER-SHARE INCOME AND CAPITAL CHANGES

(for a share outstanding throughout the year) for the ten years ended September 30, 1969

Year ended Sept. 30	Net asset value at beginning of year	INCOME					CAPITAL	Net asset value at end of year
		Dividends and interest from investments	Expense	Income Taxes	Net income	Dividends paid	Net realized and unrealized gain (loss) on investments	
1960	\$2.38	\$.075	\$.02	\$.002	\$.053	\$.053	\$ (.10)	\$2.28
1961	2.28	.075	.02	.002	.053	.053	.76	3.04
1962	3.04	.075	.018	.002	.055	.055	(.37)	2.67
1963	2.67	.085	.019	.001	.065	.065	.50	3.17
1964	3.17	.10	.022	.003	.075	.075	.97	4.14
1965	4.14	.11	.022	.005	.083	.083	.43	4.57
1966	4.57	.115	.025	.007	.083	.083	(.48)	4.09
1967	4.09	.115	.028	.017	.07	.07	1.51	5.60
1968	5.60	.115	.032	.025	.058	.058	.55	6.15
1969	6.15	.14	.033	.044	.063	.07	(1.003)	5.14

The figures shown above have been adjusted to give effect to a stock dividend on January 31, 1962 of 2 fully paid shares of the capital stock of the Fund on each share then outstanding. This stock dividend was equivalent to a three-for-one stock split. The figures have also been adjusted to reflect the two-for-one stock split made January 23, 1969.

See accompanying notes



UNITED ACCUMULATIVE FUND LTD. (Incorporated under the laws of Canada)

STATEMENT OF CHANGES IN CONSOLIDATED NET ASSETS

for the year ended September 30, 1969

Net assets September 30, 1968, represented by the following capital and surplus accounts:

Mutual fund shares	32,732,593	
Paid-in surplus	235,466,123	
Undistributed net income	32,314	
Accumulated realized gain on sale of investments	38,013,724	
Unrealized appreciation of investments	<u>96,228,352</u>	\$402,473,106

Changes during the year:

Income —

Net income for the year	4,198,716	
Less dividends paid on mutual fund shares —		
2¢ per share on 65,362,056 shares		
outstanding at March 20, 1969	1,307,241	
5¢ per share on 65,620,814 shares		
outstanding at September 19, 1969	<u>3,281,041</u>	<u>4,588,282</u> (389,566)

Capital —

Receipts and payments on
account of share capital —

For 9,109,642 shares issued	53,013,554	
For 8,472,890 shares redeemed	<u>49,685,058</u>	3,328,496

Realized loss on sale of investments —

Proceeds from sales (excluding short term note redemptions of \$199,838,895)	220,354,514	
Aggregate cost	<u>222,258,218</u>	(1,903,704)

Decrease in unrealized appreciation of investments	<u>(64,026,555)</u>	(62,601,763)
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Net assets September 30, 1969, represented by the following capital and surplus accounts:

Mutual fund shares	33,050,970	
Paid-in surplus	238,476,242	
Deficit	(357,252)	
Accumulated realized gain on sale of investments	36,110,020	
Unrealized appreciation of investments	<u>32,201,797</u>	<u>\$339,481,777</u>

See accompanying notes



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 1969

1. Foreign currency amounts included in the consolidated financial statements have been expressed in Canadian dollars on the following bases:
 - (a) Market value of investment securities, other assets and liabilities – at the rate of exchange at September 30, 1969.
 - (b) Purchases and sales of investment securities, income and expenses – at the approximate rate of exchange prevailing on the respective dates of such transactions.
2. During the year the company received supplementary letters patent reducing the authorized capital of the company by the cancellation of 12,500,000 mutual fund shares of \$1.00 par value each and subdividing the remaining 67,500,000 mutual fund shares of \$1.00 par value each, into 135,000,000 mutual fund shares of 50¢ par value each.

The issue price of each mutual fund share of the company is an amount equal to the aggregate of the net asset value of each share outstanding at the date of issue (received by the company) and the distributor's commission (retained by the distributor). During the year ended September 30, 1969, 9,109,642 shares were issued for cash aggregating \$53,013,554 of which \$4,554,821, equivalent to the par value of the shares sold, was allocated to share capital and the balance, \$48,458,733 to paid-in surplus. The mutual fund shares of the company are redeemable at the option of the holder at their net asset value. During the year, the company redeemed 8,472,890 shares for an aggregate amount of \$49,685,058 of which \$4,236,445, equivalent to the par value of the shares redeemed, was allocated to share capital and the balance, \$45,448,613 to paid-in surplus.
3. Management fees payable to United Funds Management Ltd. have been computed on the basis of $\frac{1}{2}\%$ per annum of the average daily consolidated net assets. For these fees United Funds Management Ltd. supervises, manages and directs the investment of the assets of the Funds and recommends the securities to be purchased or sold. It also pays for office space, equipment and other expenses incidental to the operation of the Funds' office including the salaries of officers and of sufficient personnel to maintain the financial records and to carry out security transactions on behalf of the Funds.
4. The consolidated financial statements do not include comparative figures for the year ended September 30, 1968, as it is the company's view that incorrect conclusions might be drawn from comparative figures due to continuous issuing of additional shares. It is the company's opinion that the statement of per-share income and capital changes provides a more informative measure of the company's progress over a longer period of time as it relates to the individual shareholder.
5. The investment securities are stated at market value at September 30, 1969, to facilitate the computation of net asset value and net asset value per share on a market value basis at that date. In the accounts of the companies, however, investment securities are stated at cost and not adjusted for fluctuations in market value.

AUDITORS' REPORT

To the Shareholders of United Accumulative Fund Ltd.

We have examined the consolidated financial statements, listed below, of United Accumulative Fund Ltd. and its wholly owned subsidiaries. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. Securities owned at September 30, 1969, were verified by confirmation received directly either from the custodian or from brokers in respect of securities purchased but not received.

In our opinion, the consolidated financial statements listed below present fairly the financial position and investment portfolio of the companies as at September 30, 1969, the results of their operations for the year then ended and the per-share income and capital changes for the ten years then ended in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods indicated.

Toronto, Canada, October 20, 1969

CLARKSON, GORDON & CO.
Chartered Accountants

Consolidated financial statements covered by report of Chartered Accountants:

At September 30, 1969 —	For the year ended
Assets and liabilities	September 30, 1969 —
Capital shares and surplus	Income and expense
Investment portfolio	Changes in net assets
For the ten years ended September 30, 1969 —	
Per-share income and capital changes	



UNITED ACCUMULATIVE FUND LTD. 44 King Street West, Toronto 105, Ontario

BOARD OF DIRECTORS

Directors	ALEX McD. McBAIN, <i>Chairman of the Board</i>	Toronto
	JOHN M. GODFREY, Q.C., <i>President</i>	Toronto
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